

Region 6 Energy Profile

Petroleum and Natural Gas

Region 6 states and the Federal offshore waters in the Gulf of Mexico produced 1,060,085 thousand barrels of petroleum in 2005. This production constitutes over 56% of the U.S. production. Proven petroleum reserves in the Region total 6,781 million barrels of over 31% of the nation's supply.

Gulf coast ports, mainly in Louisiana and Texas, import 6,556 thousand barrels of crude oil and refined petroleum products daily. The Louisiana Offshore Oil Port, Inc. facility in the Gulf of Mexico is the point of importation of over 15% of the foreign crude oil that is then transferred to Port Fourchon and into the pipeline network for distribution to gulf coast refineries and the Strategic Petroleum Reserve storage facilities in Louisiana and Texas.

The Strategic Petroleum Reserve is the largest government-owned emergency crude oil stock in the world. Currently, the 4 SPR facilities have a capacity to hold 750 million barrels of crude oil. DOE has announced its intention to expand 2 of the Louisiana and 1 of the Texas facilities as well as build a new facility in Mississippi to increase the holding capacity to 1 billion barrels.

Region 6 states and the Federal offshore waters in the Gulf of Mexico produced 12,559,711 million cubic feet of natural gas (dry) in 2005. This production constitutes over 69% of the nation's supply. The proven natural gas (dry) reserves in this area are 121,249 billion cubic feet or over 59% of the national reserves. As the permitting authority under the Clean Water Act (National Pollutant Discharge Elimination System or NPDES program) for the Texas coastal waters and the Federal waters over the outer continental shelf, EPA Region 6 has drafted the NPDES permit for the next series of lease sales (2007 – 2012) in the Gulf of Mexico. The current general permit expires in November 2007.

Of the 5 operating liquid natural gas (LNG) import terminals in the country, the largest facility is in Lake Charles, LA. The only operating LNG terminal offshore is the recently constructed Gulf Gateway facility, located approximately 112 miles south of the Louisiana coast. The Federal Energy Regulatory Commission has licensed an additional 9 onshore LNG terminals in Louisiana and Texas. The Maritime Administration has licensed 3 offshore LNG terminals off Louisiana. These facilities are in various stages of detailed engineering or construction. Other new facilities or expansions of some not yet in operation are proposed. EPA is the permitting authority under the NPDES program for the onshore LNG terminals in Texas and the offshore terminals in the Gulf of Mexico. EPA is the Clean Air Act (Title V and pre-construction) permitting authority for the offshore terminals.

There are 53 refineries within Region 6 with a total operating capacity of 8,694,102 barrels per stream day or approximately 50% of the nation's refining capacity. Major

expansions are currently underway at the Motiva refinery in Texas and the Marathon refinery in Louisiana.

Region 6 is currently negotiating with the Oklahoma Department of Environmental Quality to create the first cooperative agreement under the Energy Policy Act of 2005 to streamline the permitting process for new or significant expansions of refineries in Oklahoma.

Power Production

Each state in Region 6 uses a different mix of fuel sources for residential and industrial / commercial power production.

There are 3 coal-fired, 1 nuclear, 6 hydroelectric, 13 natural gas and 1 wood-fired power plants in Arkansas. The coal-fired power plants supply nearly half of Arkansas' electricity demand and are supplied by Wyoming mining operations. Arkansas ranks 11 in per capita total energy consumption.

There are 5 coal-fired, 2 nuclear, 1 hydroelectric and 38 natural gas power plants in Louisiana. The state production of electricity from natural gas is 5.6% of the U.S. total. Louisiana ranks 3 in per capita total energy consumption. That ranking is influenced by the energy consumed by the industrial sector, which represents almost 7% of the nation's total industrial energy use.

There are 8 natural gas and 3 coal-fired power plants in New Mexico. The larger coal-fired power plants are located near the surface and subsurface coal reserves in the northwest corner of the state. Currently, New Mexico's wind and solar power generation constitutes 1.2% of the nation's renewable fuel generated electricity. The state has recently enacted an aggressive campaign to expand the use of wind and solar power. New Mexico ranks 21 in total per capita energy consumption.

There are 20 natural gas, 6 coal-fired and 5 hydroelectric power plants in Oklahoma. The hydroelectric plants are concentrated in the eastern portion of the state. Oklahoma is pursuing more wind power generation in the panhandle. Oklahoma ranks 10 in total per capita energy consumption.

There are 2 nuclear, 18 coal-fired, 1 hydroelectric and over 70 natural gas power plants in Texas. Texas is the largest producer of wind power in the country, with more than 2,000 wind turbines in west Texas alone. Recently, the Texas General Land Office has entered into leases for wind and geo-thermal power production in state waters and on state lands. Texas ranks 5 in total per capita energy consumption.

As the Region is an area of incredible population growth, there is a growing demand for more residential and commercial power. A total of 22 new coal-fired power plants are proposed for construction in the region, 17 of which are proposed in Texas.